

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MISSOURI

STATE OF MISSOURI,	)	
STATE OF ARKANSAS,	)	
STATE OF FLORIDA,	)	
STATE OF GEORGIA,	)	
STATE OF NORTH DAKOTA,	)	Civil Action No. 24-cv-520
STATE OF OHIO, and	)	
STATE OF OKLAHOMA	)	
	)	
<i>Plaintiffs,</i>	)	
	)	
v.	)	
	)	
JOSEPH R. BIDEN, Jr., in his official	)	
capacity as President of the United States,	)	
	)	
MIGUEL A. CARDONA, in his official	)	
capacity as Secretary, United States	)	
Department of Education, and	)	
	)	
UNITED STATES DEPARTMENT OF	)	
EDUCATION,	)	
	)	
<i>Defendants.</i>	)	

**DECLARATION OF TODD STEINWAND**

I, Todd Steinwand, declare as follows:

[¶1] I am over 21 years of age and am competent to make this declaration. The statements made in this declaration are based on my personal knowledge and information available to me in the performance of my professional duties.

[¶2] I am the President/CEO for the Bank of North Dakota and have been in that position for approximately three years. I have been in the banking industry for 42 years, with nine of those years with the Bank of North Dakota. My professional duties require an understanding of all the Bank of North Dakota's activities including the student loan program.

[¶3] At the request of the North Dakota Attorney General’s Office, I have reviewed the document entitled Defendants’ Combined Memorandum of Law in Support of Defendants’ Motion to Dismiss and In Opposition to Plaintiffs’ Motions for a Temporary Restraining Order and a Preliminary Injunction, dated May 7, 2024 (“Motion to Dismiss”). I am providing this declaration in support of the Plaintiff States’ response to that Motion to Dismiss.

[¶4] On page 22 of the Motion to Dismiss, Defendants appear to question whether the Bank of North Dakota is an instrumentality of the State. As President/CEO of the Bank of North Dakota, my understanding is that the Bank of North Dakota is an instrumentality of the State of North Dakota by both law and practice. The Bank was created by state statute, is overseen by the State (reporting to the State Industrial Commission, which is chaired by the Governor, Attorney General, and Agriculture Commissioner), and most of its funds—including all of the funds used by the Bank for issuing student loans—are State funds.

[¶5] N.D.C.C. § 6-09-01 expressly provides: “For the purpose of encouraging and promoting agriculture, commerce, and industry, the state of North Dakota shall engage in the business of banking, and for that purpose shall maintain a system of banking owned, controlled, and operated by it, under the name of the Bank of North Dakota.” And the rest of N.D.C.C. ch. 6-09 describes the Bank’s operations and the State’s oversight and control of the Bank. I do not see any colorable basis for Defendants’ apparent contention that the Bank of North Dakota is not an instrumentality of the State of North Dakota.

[¶6] Additionally, on pages 22-23 of the Motion to Dismiss, Defendants make the following statement: “this lawsuit appears to be the first time even the Bank has considered itself a competitor with the federal government in the business of making student loans,” citing a Bank of North

Dakota website page that encourages most student borrowers to seek scholarships, grants, and federal loans before seeking other types of loans.

[¶7] Defendants' reference to that webpage to suggest the Bank of North Dakota is not adversely affected by unlawful federal student loan forgiveness is mistaken. The Bank of North Dakota funds and administers a state-sponsored student loan program and a student loan consolidation program. The Bank's student loan offerings include the "Dakota Education Alternative Loan" or "DEAL" program for eligible borrowers attending institutions of higher education in North Dakota and the DEAL ONE Consolidation program whereby eligible borrowers can consolidate federal and private student loans with the Bank of North Dakota as State-issued student loans.

[¶8] The Bank of North Dakota has long engaged in the business of offering State-funded student loans to consolidate federal and private student loans when the State is able to offer better terms. As of the date of this declaration, approximately 16,000 student loan borrowers have consolidated federal student loans with the Bank of North Dakota. Those borrowers generally were able to receive better terms by consolidating with the State. As such, assuming that federal student loans are required to be repaid according to their terms, consolidating student loans with the State was a wise financial choice for those borrowers.

[¶9] However, borrowers who consolidated their loans with the Bank of North Dakota are not eligible for the federal government's planned loan forgiveness. Consequently, if federal student loans are going to be forgiven or systematically no longer require repayment under their terms, student borrowers who consolidated their loans with the Bank of North Dakota will effectively be penalized for making what was at the time a wise financial choice. And future student loan borrowers will be strongly disincentivized to take or consolidate their loans with the Bank of North

Dakota, even at more favorable terms, if it becomes established as precedent that the federal government can unilaterally change the terms of federal student loans, or forgive those federal student loans, by mere executive order on the eve of a presidential election.

[¶10] If the federal government is permitted to unlawfully forgive federal student loans, it is easily foreseeable that many less student borrowers will opt for taking or consolidating their student loans through the Bank of North Dakota, and the Bank estimates that over the next fifteen years that will result in a decrease in expected State revenue from the interest earned on State-issued student loans of approximately \$19 million.

[¶11] I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge.

Executed in Bismarck, North Dakota, on May 14, 2024.



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Todd Steinwand  
President/CEO  
Bank of North Dakota